



STATE SENATOR

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Dear Friend:

During 2007, the Legislature solved a \$900 million deficit in the current budget and is looking ahead to fix a massive shortfall looming in the 2008 budget. We balanced the books while maintaining essential services without a tax hike and are now directing our efforts toward restructuring and streamlining government.

As costs escalate everywhere, it is essential to take a hard look at how government operates and how we can help businesses, individuals and the state. Innovative reforms are needed to make Michigan an affordable and attractive place to live. In this newsletter you can read about Michigan's new business tax, along with some of the Senate Republican reform initiatives in such sectors as healthcare and education.

In addition to the budget, the Senate also has been hard at work approving consumer protection legislation. Providing affordable prescription drugs, preventing identity theft and promoting beach safety are just a few of the topics covered in this update.

Despite the difficult decisions that lie ahead, I am confident our reforms and initiatives will extract Michigan from a spiral of fiscal crisis. Together we can meet the challenges ahead and a new Michigan – strong and competitive – will emerge.

Sincerely,

Ron Jelinek
State Senator

NEW BUSINESS TAX ENCOURAGES JOB CREATION

A new business tax has been passed into law and that's good news for Michigan job providers and workers alike. The tax plan rewards job creation, investment, and economic expansion.

Most importantly, the plan protects Michigan's vital small business sector. Small businesses are the backbone of our economy, accounting for 98 percent of firms that have employees. A special part of the plan includes a "Michigan Entrepreneurial Exemption" to help small businesses grow and expand. Firms pay no taxes for up to five years if the business meets certain job growth and investment benchmarks.

The agreement also provides tax relief for the auto companies and other large manufacturers, and gives strong incentives for firms to move their business to Michigan. It is important that we do everything we can to encourage companies to set up shop and operate here.

I am proud to say the pro-growth features of the original Senate BEST proposal are a significant part of the new plan. Our goal from the start was to build a foundation to keep our state competitive in the 21st century and spur employment for Michigan workers.

COMMON CALENDAR = COST SAVINGS

Rising costs are taking a toll on the budgets of public schools. In an effort to help local school districts and intermediate school districts save money, I introduced legislation that would benefit everyone from students, teachers, parents, bus drivers, administrators, etc. Under Senate Bill 549, ISD's and their constituent school districts would be required to create and adopt a single, common school calendar that includes the dates for a Christmas break, a spring break and professional development days. Schools that operate on a year-round or trimester program would be exempt from the common calendar.

Coordinating the major days off would help ensure students receive the best education possible by synchronizing breaks so students who attend classes at an ISD do not miss class because of different spring break schedules. Having the same professional development days also will allow districts to save money by having all teachers present on one day for speakers or educational training and by not needing buses or food service that day.

HUNTERS CAN HELP STOP THE SPREAD OF VHS

Waterfowl hunters and others who hunt from watercraft should take protective action to help control the spread of a new contagious fish disease, Viral Hemorrhagic Septicemia (VHS). This virus often causes fatal hemorrhaging in fish, including trout, salmon, and other important species. Since 2005, VHS has caused large fish kills in lakes St. Clair, Erie, Ontario and Huron, and moved inland as well. Wisconsin authorities recently reported its presence in Lake Michigan.

Anglers and hunters using a boat can help prevent further spread of VHS, and other aquatic nuisance species, by taking these precautions:

- Thoroughly clean boats, trailers, and other equipment with a light bleach solution.
- After cleaning, allow boats and equipment to dry in the sun for 4 to 6 hours.
- Empty live wells and bilges when leaving the water to avoid transferring any of that water elsewhere.

While the virus does not affect humans in any way, VHS threatens Michigan's aquatic ecology, and \$4.5 billion recreational and commercial fishery. With stakes this high, it's important that hunters, anglers and all outdoor sportsmen work together to help slow the spread of this disease.

IMPROVING BEACH SAFETY

Michigan offers more than 3,000 miles of shoreline frequented every year by local residents and tourists who enjoy boating, fishing and swimming on the Great Lakes. However, in a 2004 issue of National Geographic, Lake Michigan was identified as one of the most dangerous zones with undertows and rip currents. Over the past five years, more than 30 people have drowned off Southwest Michigan's coast alone. These fatalities have led me, fellow lawmakers and local officials to push for measures to further increase the safety of all people on Michigan's waterways.

Legislation introduced would:

- Make pier jumping a civil infraction with a \$500 fine. Currently it is a federal offense but can only be enforced by a federal officer. This bill would expand that provision to include local law enforcement officials who typically monitor the piers.
- Include lifeguards in Michigan's Good Samaritan Act. It would protect lifeguards from any liability when they perform lifesaving emergency care, in an act of good faith, to a person who is in crisis.
- Designate that providing access to safety and rescue equipment on a public beach is a governmental function and therefore the municipality providing the equipment falls under the governmental immunity laws. This would encourage counties to participate in the purchasing and placement of safety devices such as life rings and call boxes without fear of being sued if the equipment was vandalized or stolen.

Senator Jelinek reminds seniors... summer tax deferment income threshold raised for 2007

Past Senate legislation signed into law raises the income threshold to defer the due date of summer property taxes up to \$40,000 this year. Eligible Michigan residents 62 years and older can defer the payment of their summer taxes until February 15 without penalty or interest. To do so, the property owner must file a deferment form with their city or township treasurer by September 15.

I've heard from a number of people that the summer property tax can impose financial hardship, especially for those on a fixed income. Many seniors use their state or federal income tax refund to pay the tax and find the deferment helpful. To obtain a deferment form, contact your local treasurer or go to www.michigan.gov/documents/homestead1_2541_7.pdf.

AFFORDABLE HEALTH CARE IS A TOP PRIORITY

Affordable health care is on everyone's mind. Legislation has been introduced that would help people better manage their health and health care costs, and help the estimated 1.2 million Michigan residents who are uninsured.

The centerpiece of this effort is the MI HEART (Michigan Helping Ensure Affordable and Reliable Treatment) package. Key parts of the plan:

- Create the MI HEART Exchange – a marketplace for the purchase of affordable, basic health care coverage, with a subsidized program for eligible low-income individuals.
- Require healthy behavior incentives and provider pay-for-performance measures in the Medicaid program. This year, Michigan's Medicaid caseload will include 1.58 million people - nearly a 50 percent increase since the start of the decade.
- Provide parents with family coverage the opportunity to continue that coverage for their children up to the age of 26, even if that child is no longer considered a dependent.

Help is at Hand for Military Families

Taxpayers would have an added opportunity to help Michigan's citizen-soldiers by donating to the Military Family Relief Fund under legislation recently passed by the Senate. The current income tax check-off for this program is set to expire at the end of this year. Senate Bill 515 would extend the program another four years.

The fund was established in 2004 to provide help in times of need for families of eligible members of the Michigan National Guard or the U.S. Armed Forces Reserves who are serving in the war on terrorism. To date, nearly 200 grants have been awarded. This assistance helps families with food, housing, utilities, medical services, insurance payments and other needs while their soldier is on active duty, or has incurred a line-of-duty injury or illness.

Giving a helping hand is one small way to show our appreciation to the citizen-soldiers who put their lives on the line to protect our freedom and security.

Business tax credit encourages donations to public education

Businesses, small and large, can now donate directly to a public school foundation and receive a tax credit equal to 50 percent of the amount they donated throughout the tax year. The credit cannot exceed 5 percent of the taxpayer's tax liability or \$5,000, whichever is less.

A section of the new Michigan Business Tax provides an incentive for Michigan businesses to donate to their local

schools and public education. The "Education Foundation Tax Credit" expands the current community-foundation tax credit to include donations to education foundations.

The credit enables businesses to direct additional money to the classroom, allowing school districts in their own communities an opportunity to raise money for educational programs and projects they could not afford otherwise.

New requirements aim for success

Ready, set, learn! This fall's freshman class enters high school with new, more demanding graduation requirements in place. The rules will help students gain the knowledge and skills necessary to be better prepared for the rigors of college and the 21st Century workplace.

New requirements that affect the graduating class of 2011 include:

- Four years of English
- Four years of math
- Three years of science
- Three years of social science
- One year of physical education and health
- One year of fine or applied arts
- One online learning experience

Starting with the class of 2016, students will also be required to have two credits of a foreign language, fulfilled any time between kindergarten and graduation.

Parents who have concerns about the new rules can contact the school for more information about different routes to achieve the same goal of a rigorous curriculum.

DNR Resource Guide

Find rules and regulations, access the fall hunting guides, get your license online, and more at www.michigan.gov/dnr.

COMPARE & SAVE

Prescription drug costswww.michiganrugprices.com
Gas priceswww.michigan.gov/gasprices
Basic phone service rateswww.michigan.gov/mpsc
Lost or unclaimed propertywww.michigan.gov/treasury

SENATOR JELINEK SUPPORTS CORD BLOOD BANK

Legislation went into effect earlier this year that could help save many lives and advance medical research. The new laws establish a framework for a statewide network of umbilical cord blood banks in Michigan. Cord blood is the blood that remains in a baby's umbilical cord after it has been cut following birth. This blood is rich in stem cells.

The stem cells found in cord blood can be used to treat a number of diseases, including leukemia, lymphoma and sickle cell anemia. Ongoing research may eventually allow the use of cord blood to treat other illnesses, such as diabetes or heart disease. Most importantly, the same ethical concerns are not associated with the use of cord blood cells as there are with embryonic stem cell research. Cord blood can be collected safely and easily without harming either the baby or the mother.

Many people are unaware of the life-saving benefits of cord blood. I am hopeful the new laws will help more people find out about its value and medical promise.

JELINEK STANDS UP FOR MICHIGAN CONSUMERS

While work on the budget and business tax seems to have grabbed all the headlines, the Senate has approved key consumer protection legislation, including several measures that help reduce the risk of identity theft. I supported legislation that would:

- Allow consumers to place a "security freeze" on their credit report. A security freeze would prohibit consumer reporting agencies from releasing credit information without authorization. (SB 75 and 340)
- Remove or block out all or part of a Social Security number on public documents such as land titles, recording of deeds and mortgages. (SB 298-303)
- Eliminate the requirement that a person sign their vehicle registration card. (SB 79)

- Protect Michigan homeowners from mortgage fraud by prohibiting the inflation of property values through false appraisals. Michigan has been named one of the "hot spots" for mortgage and deed fraud by the FBI. (SB 342-343, 356, 432)
- Prohibit the expiration of gift cards in less than five years and prohibit inactivity fees. Multi-store cards bearing the VISA, AmEx or Mastercard logos are exempt. (SB 387-388)
- Increase the state's ability to penalize unlicensed builders and contractors. (SB 450-453)

I will continue to fight for the rights and interests of Michigan consumers. For more information on these bills, please contact my office toll-free at 866-305-2121 or visit www.michiganlegislature.org.